

**Government Reform & Restructuring Commission
Simplification and Operations Subcommittee**

Stafford County Administration Building
June 12, 2010- 10:00 am

Meeting Attendees: Delegate Glenn Oder, Speaker William Howell, Howard Estes, Geoff Segal, Bobbie Kilberg (by phone), Gil Shelton (by phone), Scott Pattison (by phone), Senator Mary Margaret Whipple (by phone), Mike Reynold, Matt Bruning

Commission Senior Advisors: Mike Thompson

Presenters: David Andrews, Karla Hulett, Mike Ostergard, Tim Mould (Accenture), Rodney Willett, Mark Vita, Scott Lemler (North Highland), Murali Rao, Ken King (VDOT), Tom and Gordon Hendry (CB Richard Ellis), Howard Estes (Committee)

Opening

The meeting was called to order by Committee Chair Glenn Oder at 10:03. Delegate Oder thanked Stafford County for hosting the Committee again. Committee members present in person and by teleconference introduced themselves.

Presentations

“Accenture”- David Andrews, Karla Hulett, Mike Ostergard, Tim Mould

- After opening remarks by Mr. Andrews, Ms. Hulett provided an overview of Accenture’s revenue generation capabilities, specifically what they have undertaken in Maryland.
- Comments: Delegate Oder asked about the recurring nature of the revenues, Virginia’s rank in collections and how to implement a similar program. Ms. Hulett noted that once they are back on the rolls, those revenues are more likely to be collected. While Virginia does a good job of collections, given recent trends, there are areas to improve. A similar program could be implemented by issuing a request for proposals. Mr. Reynold asked about including non-tax collections, which Ms. Hulett noted could be done.
- Mr. Ostergard provided an overview of Accenture’s rapid cost reduction programs, including work done for New York City’s MTA.
- Comments: Mr. Segal sought clarification on the percentages, which Mr. Ostergard noted were per stage, not cumulative, and based on the addressable spend. Mr. Thompson asked about the scheduling and timeline of implementation. Mr. Ostergard noted that it varied, but the MTA has already moved on the head count aspect since its proposal in January.
- Mr. Mould provided an overview of Accenture’s work on shared services.
- Comments: Delegate Oder sought clarification on outsourcing and shared services, which Mr. Mould noted that outsourcing was a procurement method and both had advantages. Mr. Thompson wondered which method saved more money to which Mr. Mould noted that it varies, but outsourcing is usually a quicker approach. Mr. Segal asked about the challenges with local governments coming together. Mr. Mould mentioned that cross jurisdiction shared services difficulty is on the governance model with decision making and ownership, but those discussions occur when shaping the contract. Mr. Thompson

asked about delay in travel requests, which Mr. Mould noted was something Ohio addressed in their shared services center. Mr. Estes asked about complex functions undertaken in shared service centers, which Mr. Mould indicated covered finance, accounting and HR, so there are few limits.

“North Highland Care Study Discussion”- Rodney Willett, Mark Vita, Scott Lemler (North Highland), Murali Rao, Ken King (VDOT),

- After opening remarks from Mr. Willett, Mr. Vita provided an overview of the case study of VDOT’s call center consolidation.
- Comments: Delegate Oder asked about the implementation progress, which Mr. Vita noted the April live date of phase one of forwarding calls from area headquarters to the center. Mr. Thompson asked about the cost of the center, which Mr. Vita noted was still in ongoing as part of a larger organization change. Speaker Howell asked about customer feedback, which Mr. Vita noted was initially negative because of the disconnect, but worker are reassuring public that the work is still performed in their area. Delegate Oder noted the need for more advertising of the center, which Mr. Vita noted is part of the next phase for the fall.

“CB Richard Ellis”- Tom and Gordon Hendry, CB Richard Ellis

- Tom provided an overview of CBRE’s services and previous work in Virginia, including portfolio management.
- Comments: Delegate Oder asked how Virginia’s square footage compared. Tom noted that Virginia’s has decreased and on the lower end but still higher than some. Mr. Thompson asked about renegotiations of existing leases in same building into one lease, which Tom noted had been done to collocated agencies. Mr. Segal asked about joint leases with local governments, which Tom noted has been done 8 times as a one-stop, but that local partners were not a big user in those spaces. Mr. Estes asked about non-state entities. Tom noted that the portfolio management is for executive agencies, but they have information on higher education institutions. Mr. Segal asked about capacity for more collocation, which Tom noted was a consideration when identifying space to lease. Mr. Estes asked about moving more space into state owned buildings. Tom noted they focus on leased space, but are working with DGS to identify. Mr. Segal asked about an inventory of assets, which Tom noted was available for leased space and DGS is working on for owned buildings.
- Mr. Hendry provided an overview of CBRE’s services for facility and energy management.
- Comments: Mr. Thompson asked what they have done in Virginia, which Mr. Hendry noted was primarily on the lease side. Speaker Howell asked about a repository of the exact numbers of acreage and buildings owned by the state. DGS Deputy Director Joe Damico offered to present at a future meeting.

“Examining Constitutional Officers in the Commonwealth”- Howard Estes, Committee Member

- Mr. Estes provided an overview of past studies of Constitutional Officers and the process he is undertaking to further review those positions based on functionality. He noted the desire to have a comprehensive dataset in September for the Committee.

- Comments: Mr. Thompson noted the possibility of dividing out how local employees where paid by both the state and localities. Delegate Oder noted the possible need for Constitutional and legislative changes.

Public Comment

Delegate Oder asked for comment from Committee members. Speaker Howell noted that he has discussed debt collection with his Commission of Revenue and the Tax Department. Tax is committed to a pilot project for Treasurers on collections. Speaker Howell also reiterate the need for information on an inventory of state owned real estate. Mr. Bruning provided some follow-up information on action items from the previous meeting, including waiver consolidation and economic development and business one-stops. Mr. Reynold noted that the Committee would look at boards and commissions and other issues at future meetings.

Delegate Oder asked that the Committee meet at the end of the full Commission meeting on July 20th. After seeking public comment and hearing none, Delegate Oder adjourned.